

# INFORMATION REPORT

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COUNTRY Yugoslavia

**CONFIDENTIAL**

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**SUBJECT** Manpower and Production Situation

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**SUPPLEMENT TO  
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1. The increase in the number of unemployed in Yugoslavia in the second half of 1950, although probably only temporary, and by no means indicating that there is a surplus of manpower in the country, has been brought about mainly by the following causes:
  - a. The continued re-organization of the economic apparatus of the country, and the consequent confusion which has caused "bottle-necks" while the redistribution of manpower is taking place.
  - b. The slowing down of work on the Five Year Plan.
  - c. The ever-increasing lack of raw materials, due in the first place to the non-delivery of supplies from the USSR and satellites, and latterly to the lack of foreign exchange for purchases from Western countries.
  - d. Incompetence in controlling the labor force, resulting in absenteeism, wholesale fluctuation of personnel, et cetera.
2. Principally because of the lack of raw materials, there have been recent drops in production of as much as 40 percent, even in industries which have been developed since the war. Some of the undertakings concerned are:
  - a. The Prvomaj metallurgical factory at Zagreb.
  - b. The Litostroj works at Ljubljana.
  - c. Textile factories at Kranj (Slovenia), Leskovac and Belgrade (Serbia), and Karlovac (Croatia).

These undertakings have been obliged to make reductions in personnel. In an effort to tighten control, there has also been an increase in the number of workers called before tribunals on charges of wasting material, of causing difficulties for the authorities by moving from one factory to another, et cetera. The official reason being given for these reductions in personnel is that of increasing the labor force available for agriculture and the mines. This may well be partly true, although the number of dismissed workers who go to work in these branches, particularly in the mines where conditions are extremely bad, is not known.

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3. Besides the drought in 1950, the fall in agricultural production is mostly due to the maladroit introduction of collectivization in a country, whose population is still largely (80 percent) agricultural and, for the most part, primitive. Forced collectivization has given rise to an enormous passive resistance, with a consequent wastage in manpower and materials. Out of a total of seven million hectares of land suitable for cultivation, over two million hectares (the figure may be as high as 2.8 million) are not under cultivation due to lack of seed and lack of enthusiasm on the part of the peasants, and not so much to the lack of manpower.
4. Production in the mines has fallen, largely as a result of unsatisfactory housing and feeding conditions for the miners, but also as a result of lack of able and experienced technicians and of equipment for the efficient and economic working of the mines.

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